

Consumer Alert



A Publication of the South Carolina Department of
Consumer Affairs Public Information Division

Save some green, by saving on greens

Ways to save at the grocery store

Everyone is feeling the pinch at the checkout line, and it's not

coming from the fresh lobster you just purchased.

Grocery bills have risen 5.7 percent over the past two years and with no relief from fuel costs this trend is expected to continue.

Here are a few tips for trimming your grocery bill and fattening your wallet.

Make a list, stick to it

Make a list of what you need and stick to it.

This prevents buying unnecessary items – i.e. you

already have four bottles of vanilla extract – and steers you clear of impulse purchases, like the newest brand of chocolate chip cookies.

Buying duplicates, especially of perishable items, and impulse buys can quickly wreck your budget.

While you're making a list, go ahead and pre-plan what meals you will cook later in the week.

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Just another gotcha! Extended warranties are bad deals for consumers



Once upon a time selling stopped at the checkout line, but today more and more retailers are offering pricey add-ons like extended warranties.

Extended warranties sound like a bargain – *Guaranteed to fix it if it breaks!* – but they're actually a very poor deal for consumers who buy into the false confidence.

There's a reason, after all, retailers push extended warranties so vigorously.

According to Consumer Reports, stores keep 50 percent or more of what they charge for warranties, which is a much higher profit margin than they make

on the actual product.

Why are extended warranties a bad deal?

Many of the repairs are covered by the standard manufacturer warranty that comes with the product, making an extended warranty redundant. Product testers claim few products break within the extended-warranty window, typically two to three years after purchase.

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Florence Satellite Location Opening

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- Explaining Lemon Law
- Tips for better gas mileage
- How to reduce your grocery bill

Identity Theft Bill gives SC Consumers more protection

South Carolina consumers can do more to protect their identity now that the legislature passed and Governor Mark Sanford signed the "Financial Identity Fraud and Identity Theft Protection Act."



The Act provides much needed protection for consumers and is one of the most consumer-friendly and comprehensive bills of its kind in the nation.

A primary provision in the bill allows consumers to freeze and thaw their credit report at no charge. Any consumer may place a freeze on their report, including those wanting to take proactive measures to protect themselves against identity thieves or not wanting to receive more credit than they can financially handle.

Businesses, however, have no need to worry about consumers not being able to make purchases as they choose. Thawing your credit only takes one phone call and 15 minutes.

South Carolina is one of only two states in the country that provides this service to consumers free of charge.

The Act also provides requirements in the area of credit report disputes

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This will prevent “quick trips” to the grocery store that can add up in a hurry.

Clip Coupons

Cutting coupons may seem like a waste of time, but it’s an easy way to save 10 to 20 percent off of your weekly grocery bill.

The Sunday newspaper is a good place to start, but websites like www.thegrocerygame.com and www.coupons.net offer even more savings.

For bonus savings, use coupons on sale items for an even greater discount.

Choose your grocery store wisely



How much do you need? An estimated 25 percent of produce purchased is thrown away.

Supermarkets fall into two basic categories—EDLPs (everyday low prices), which are the stores you think of as the cheapest in your area, and “high-lows,” which have

a reputation for being more expensive.

Surprisingly, high-lows often offer the better deal since their sale prices dip lower than those at EDLP stores.

Additionally, find out if the store doubles coupons, honors competitors’ sales, offers rain checks or discount cards.

Waste Management

Food in the trash is money down the drain.

A recent University of Arizona study found

American households throw away about 14 percent of the food and 25 percent of the produce they purchase.

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Fact or fuelishness: How to get better gas mileage

Gas prices are up, way up, and with no relief in sight an abundance of gas saving products and tips have flooded the market. While a few practical steps will take you the extra mile, some of these products and tips are just watered down.

Consumers should be very skeptical of any products that claim to greatly increase a vehicle’s fuel performance. Many products tout fuel savings of 12 to 25 percent, but the Environmental Protection Agency (EPA) has evaluated or tested more than 100 alleged gas saving devices and has not found any product that significantly improves gas mileage.

In fact, some “gas saving” products may damage a car’s engine or cause substantial increases in exhaust emissions.

There are, however, ways to improve your vehicle’s gas mileage.

Numerous no- or low-cost steps can help combat rising gas prices. The most important place to start is

at the gas pump. Buy only the octane level gas you need. All gas pumps must post the octane rating of the gas under the FTC’s Fuel Rating Rule.

Remember, the higher the octane, the higher the price. Check your owner’s manual to determine the right octane level for your car.

Here are some additional tips from the EPA to help you get better gas mileage.

Drive more efficiently

- *Stay within posted speed limits.*

The faster you drive, the more fuel you use. For example, driving at 65 miles per hour (mph), rather than 55 mph, increases fuel consumption by 20 percent. Driving at 75 mph, rather than 65 mph, increases fuel consumption by another 25 percent.

• *Use cruise control.* Using cruise control on highway trips can help you maintain a constant speed and,

in most cases, reduce your fuel consumption.

• *Anticipate driving situations.* If you anticipate traffic conditions and don’t tailgate, you can avoid unnecessary braking and acceleration, and improve your fuel economy by 5 to 10 percent.

In city driving, nearly 50 percent of the energy needed to power your car goes to acceleration.

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Lemon Law: When your new vehicle leaves you with a sour taste

If your new car is leaving you with a sour expression, you may have a lemon on your hands in which case the law does offer you some protection.

According to South Carolina's Lemon Law, a 'lemon' is a new private passenger vehicle (car, van, truck, etc.) that has a defect that impairs its use or will lower its market value substantially and which the manufacturer cannot repair in a reasonable time.

A reasonable amount of time is considered by law to be three repair attempts for the same defect or 30 or more days out of service for repairs. The 30 days do not have to be consecutive.

The Lemon Law does not cover the following:

- 1) Defects which do not substantially impair the vehicle's use, market value or safety.
- 2) Defects caused by owner's abuse, neglect, or unauthorized alteration of the vehicle.
- 3) Defects that don't show up within the first 12,000 miles or 12 months whichever comes first.

It's also important to remember the Lemon Law only applies to NEW private passenger vehicles, meaning pre-owned or used cars are not covered.

For the Lemon Law to be enacted:

FIRST – You must notify the manufacturer (or its agent) in writing of the defect during the term of the warranty. The manufacturer must make any repair efforts at no cost to the consumer within either three repair attempts or 30 days out of service. The 30 days do not have to be consecutive.

SECOND – If the defect cannot be repaired, the manufacturer has the option of either replacing the vehicle or accepting return of the vehicle and refunding the money.

If the manufacturer elects to accept return of the vehicle and refund the money, the refund must be for the full purchase price of the vehicle, less a reasonable allowance for the consumer's use.

manufacturer may have established.

This type of mediation is known as an "informal dispute settlement procedure." This procedure must set

requirements for consumer notification, be free from the manufacturer's influence, free of charge to the consumer, and generally settle the dispute within 40 days.

Still not satisfied? You have some more options.

If you are not satisfied with the arbitration, you may then file suit in court.

If the Lemon Law does not cover the car you have purchased, you may still have recourse under the general sales

and warranty laws.

You can also file a complaint with the Department of Consumer Affairs.

Remember: Buy vehicles only from reputable dealers and read everything carefully. Save all documentation on the car and any repair work for you records.



When life gives you lemons, make lemonade. When a dealer gives you a lemon, get your money back with the Lemon Law.

The full purchase price includes
1) applicable finance charges and
2) all governmental fees, including sales tax, license fees, and registration fees.

THIRD – Before you request a refund or replacement vehicle, you must first participate in any arbitration procedure the

Avoiding a lemon in the first place

➔ **Do your homework on the car and the dealer. Don't just buy impulsively. Read vehicle reviews online and in magazines to evaluate for the safety and reliability. Ask people who already own the type vehicle you're interested in about their experience.**

➔ **Used cars should be thoroughly checked out by an independent mechanic first.**

➔ **Only buy from a trusted dealer. Consult the Department's Buyer Beware List (www.sconsumer.gov/buyer_beware.htm) to see if there are any outstanding complaints against the dealership.**

CONTINUED: Just another gotcha! Extended warranties are bad deals for consumers

In most cases, if a product has a legitimate flaw it will affect operation shortly after purchase, other flaws will most likely surface from wear-and-tear after the extended warranty period has expired, and retailers know this.

When consumer electronics and appliances do break, repairs, usually

cost about the same as an extended warranty.

This means no real savings for the consumer even if the warranty is used.

Retailers pushing extended warranties point out manufacturers' warranties have shrunk from a year to just 90 days in most instances.

This is especially true for labor, meaning while the parts could be free, paying to have them installed could be expensive.

Retailers may also hard sell the convenience of in-home service or instant replacements for products. You should check the warranty to be sure this is the case.

Consumers should also be mindful of the falling cost of many products, especially electronics, such that the replacement equivalent for a \$300 camera may be only \$100 by the end of the warranty.

If you just have to have an extended warranty:

Check your credit card. Many gold and platinum plan credit cards will offer an extension of the original manufacturer's warranty by as much as one year free of charge.

Shop around. Extended warranties vary in length and terms. Never pay more than 20 percent of the purchase price of the product for one and always try to negotiate a better price. The profit margin on extended warranties is high enough retailers may be inclined to negotiate.

Some retailers might extend the manufacturer's warranty as well. Costco, for example, extends the manufacturer's warranty on televisions and computers to 2 years from the date of purchase at no cost to you.

Read the fine print. If it's a larger item, like a TV or appliance, look to see whether the extended warranty includes in-home repair or pickup.

Typically an extended warranty begins the day you purchase the product, so it overlaps with the standard warranty for a year (assuming that's the term of the standard coverage). This means a

CONTINUED: Ways to save at the grocery store

Eat what you buy

Pay closer attention to expiration dates, become fond of leftovers, or invest in a vacuum-seal device that will allow foods to stay fresh five times longer.

Look high, then low

Grocery stores place higher-priced items where they're easiest to see and grab, so you'll usually find lower-priced versions on shelves above and below eye level.

Bigger isn't always better

Don't assume that bigger boxes offer the better savings. Check the unit price listed on the shelf tab and do some basic math to find out if the item in the larger box is a better deal than the smaller one. Also think about, if you'll actually eat that much. The larger box may be a better deal, but it won't matter if you end up throwing half of it away.

Meat and greet

Getting to know your butcher can help you save on meats. Many butchers are happy to package smaller cuts of meat or cheaper, tougher cuts through a tenderizer at your request. If you notice a package has reached its sell-by date, ask if they'll mark it down.

Frozen assets

You normally pay a premium for ready-prepared frozen meals, so it is best to avoid them. However, if you find you eat out a lot because you're just too tired or pressed for time to cook, frozen meals are a low cost alternative to eating out.

Mind the scanners

Whether computer-based or the result of human error, costly mistakes can occur at the register. To avoid them, shop with a partner, so one person can unload while the other watches the scanner. And if savings don't ring up until your order is totaled, don't leave the store without checking your receipt.



Grocery prices stressing you out? Save money with these tips.

SCDCA opens satellite location in Florence, 10th such location in state

The South Carolina Department of Consumer Affairs held the grand opening of its newest satellite location in Florence on April 9.

The ceremony began at 10:00 am at the Florence County Public Library with a symbolic ribbon-cutting.

The Florence County legislative delegation and other county

dignitaries and officials were on hand to commemorate the opening.

"We are extremely pleased with the support we have received from the Florence County Library System in bringing this consumer service to the area.

"Because of the collaborative effort with Executive Director Ray McBride and Information Services Manager Aubrey Carroll, and the support of South Carolina's General Assembly, Department staff will be able to meet with consumers on a regular basis and provide the information and resources they need," said SCDCA Agency Administrator Brandolyn Thomas Pinkston.

The Department will continue to visit the library each month and invites area residents to bring their consumer concerns, questions and complaints to the library on scheduled Consumer Affairs days.



From left to right, Library Director, Ray McBride, SCDCA Administrator, Brandolyn Thomas Pinkston, and Florence Mayor, Frank Willis, cut the ribbon to announce the grand opening of the Department's Florence satellite location at the Florence County Library.

SCDCA Outreach Coordinator Hugh Crofoot will represent the Department during each of these visits.

"I appreciate the opportunity to serve this vibrant and growing community and look forward to getting involved."

-Hugh Crofoot

He will also be available to consumers via phone, e-mail, or appointment by request Monday through Friday.

"The opening of a satellite office allows us to have face-to-face feedback with consumers while providing timely responses and information," said Crofoot.

The Department currently has satellite offices in Gaffney, Laurens, Spartanburg, Newberry, Greenwood, Summerville, Boiling Springs and Landrum with regularly scheduled visits to all locations.

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Identity Theft Bill gives SC Consumers more...

that are similar to those in the Federal Fair Credit Reporting Act. Under the Financial Identity Fraud and Identity Theft Protection Act, credit reporting agencies must follow certain procedures when a consumer notifies it of an inaccurate or untimely item on his or her credit report.

The consumer is also given the right to sue a credit reporting agency if it does not comply with the Act. This portion of the act will be effective December 31, 2008.

In addition to giving consumers more control with their credit, the bill also addresses identity theft concerns.

According to the Act, organizations and businesses who maintain consumers' personal information must now alert consumers when their personal information may have been compromised.

Notice of the security breach must also be given to the Department if 1,000 or more South Carolina consumers were affected.

The Department has been given the responsibility of ensuring consumers are being informed when their identity has been compromised internally or externally. This portion of the bill will be effective July 1, 2009.

The bill also requires all organizations and businesses collecting personal information to have measures for the safe disposal of material "in a manner that makes it unreadable or undecipherable."

Other provisions of the Act include making identity theft a crime, prohibiting dumpster diving, putting restrictions on the use of social security numbers, and limiting the information on credit card receipts.

CONTINUED: Fact or Fuelishness: How to get better gas mileage

Go easy on the gas pedal and brakes.

- *Avoid unnecessary idling.* Turn off the engine if you anticipate a lengthy wait.

No matter how efficient your car is, unnecessary idling wastes fuel, costs you money and pollutes the air.

- *Combine errands.* Several short trips taken from a cold start can use twice as much fuel as one trip covering the same distance when the engine is warm.

- *Remove excess weight from the trunk.* Avoid carrying unneeded items, especially heavy ones.

An extra 100 pounds in the trunk reduces a typical car's fuel economy by one to two percent.

Maintain your car

- *Keep your engine tuned.* Studies have shown that a poorly tuned engine can increase fuel consumption by as much as 10 to 20 percent depending on a car's condition.

- *Keep your tires properly inflated and aligned.*

Car manufacturers must place a label in the car stating the correct tire pressure. The label usually is on the edge of the door or door jam, in the glove box, or on the inside of the gas cap cover.

If the label lists a psi (pounds per square inch) range, use the higher number to maximize your fuel efficiency. Underinflated tires cause fuel consumption to increase by six percent.

CONTINUED: Just another gotcha!

three-year policy gives you only two years of additional coverage.

What you can do instead of purchasing an extended warranty:

1.) Read product reviews to find out which brands produce the most reliable product.

2.) Take the money you would have spent on the extended warranty and place it in an interest-accruing savings account. If the product does break use the money, which has been collecting interest, to have it fixed or to buy its replacement.

3.) Wait for a cheaper replacement. The cost of technology steadily declines from the time it's introduced to the market.

If your item ceases to work in three years, you will probably be able to replace it cheaper than you can have it repaired.

3.) Look into gold and platinum plan credit cards that offer extended warranties free of charge. This maybe especially helpful if you frequently purchase electronics or appliances.

- *Change your oil.* Clean oil reduces wear caused by friction between moving parts and removes harmful substances from the engine.

Change your oil as recommended by the vehicle manufacturer.

- *Check and replace air filters regularly.* Your car's air filter keeps impurities in the air from damaging internal engine components.

Not only will replacing a dirty air filter improve your fuel economy, it will protect your engine.

Clogged filters can cause up to a 10 percent increase in fuel consumption.



About the South Carolina Department of Consumer Affairs

Established by the Consumer Protection Code in 1974, the South Carolina Department of Consumer Affairs represents the interest of South Carolina consumers. Our mission is to protect consumers from inequities in the marketplace through advocacy, mediation, enforcement, and education. For more information on the SCDCA, visit www.scdca.gov.

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The Department strives to be a **CREDIT** to our State by holding the following values as essential in our relationships and decision-making:

Competence Respect **E**quality **D**edication **I**ntegrity **T**imeliness

The *Consumer Alert* is published every month. To receive the *Consumer Alert* or its sister publication *Fraud Alert* by e-mail or postal service contact Charles Ellison at ellison@dca.state.sc.us or by phone 803.734.4203.

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